

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill

December
FY 2006

Monthly Revenue Summary

| | <u>FY 06</u> | <u>FY 05</u> | <u>Inc/(Dec)</u> |
|------------------------|-----------------|-----------------|------------------|
| Gen & Educ | \$ 194.8 | \$ 165.3 | \$ 29.5 |
| Highway | \$ 14.9 | \$ 18.4 | \$ (3.5) |
| Fish & Game | \$ 0.3 | \$ 0.4 | \$ (0.1) |

Current Month Analysis

| General & Education Funds | <i>FY06 Actuals</i> | <i>FY06 Plan</i> | <i>Actual vs. Plan</i> |
|--|-------------------------|----------------------|----------------------------|
| Business Profits Tax | \$ 37.8 | \$ 47.0 | \$ (9.2) |
| Business Enterprise Tax | 46.4 | 32.2 | 14.2 |
| Subtotal | 84.2 | 79.2 | 5.0 |
| Meals & Rooms Tax | 13.9 | 14.2 | (0.3) |
| Tobacco Tax | 12.3 | 12.3 | - |
| Liquor Sales and Distribution | 13.6 | 14.7 | (1.1) |
| Interest & Dividends Tax | 3.3 | 3.0 | 0.3 |
| Insurance Tax | 19.5 | 18.9 | 0.6 |
| Communications Tax | 5.8 | 5.9 | (0.1) |
| Real Estate Transfer Tax | 14.0 | 13.9 | 0.1 |
| Estate & Legacy Tax | 0.4 | 0.6 | (0.2) |
| Court Fines & Fees | 2.5 | 2.3 | 0.2 |
| Securities Revenue | 7.5 | 0.4 | 7.1 |
| Utility Tax | 0.5 | 0.6 | (0.1) |
| Board & Care Revenue | 1.0 | 0.9 | 0.1 |
| Beer Tax | 1.0 | 0.9 | 0.1 |
| Racing Revenue | 0.2 | 0.2 | - |
| Other | 4.3 | 4.0 | 0.3 |
| Transfers from Lottery/Pari-Mutuel | 4.5 | 6.2 | (1.7) |
| Tobacco Settlement | - | - | - |
| Utility Property Tax | 4.5 | 5.7 | (1.2) |
| State Property Tax | - | - | - |
| Subtotal | 193.0 | 183.9 | 9.1 |
| Net Medicaid Enhancement Rev | 1.0 | 0.1 | 0.9 |
| Recoveries | 0.8 | 1.5 | (0.7) |
| Subtotal | 194.8 | 185.5 | 9.3 |
| Other Medicaid Enhancement Rev to Fund Net Appropriations | - | - | - |
| Total | \$ 194.8 | \$ 185.5 | \$ 9.3 |

Unrestricted Revenue from the General and Education Funds for December totaled \$194.8 million, which was above the plan by \$9.3 million and above prior year by \$29.5 million. Year to date revenue totaled \$875.5 million, ahead of plan by \$43.8 million and prior year by \$41.8 million.

Business Taxes collections for December totaled \$84.2 million, which was ahead of plan by \$5.0 million and above prior year by \$11.3 million. According to the Department of Revenue, approximately \$4 - 5 million of audit collections were received this month. Year to date revenue of \$241.0 million was above plan by \$40.0 million and ahead of prior year by \$49.3 million. In December, calendar year taxpayers remitted their 4th quarter estimated Business Tax payments. The next major collection month is March when calendar year corporations file their 2005 annual tax returns. Through December, the state receives approximately 40% of total anticipated business tax collections for the year (See chart on next page).

Although **Liquor Sales** have tracked closely with plan through November, inclement weather impacted the holiday sales period, leaving December revenue of \$13.6 million short of plan by \$1.1 million.

The **Real Estate Transfer Tax** continues to be on target with plan. On a year to date basis, collections totaled \$93.8 million exceeding plan by \$.2 million and prior year by \$4.4 million (5.0%).

Securities Revenue for the month came in \$7.1 million above plan due to the early receipt of revenue, which was projected for January collection. Next month's results will fall short of plan by a similar amount.

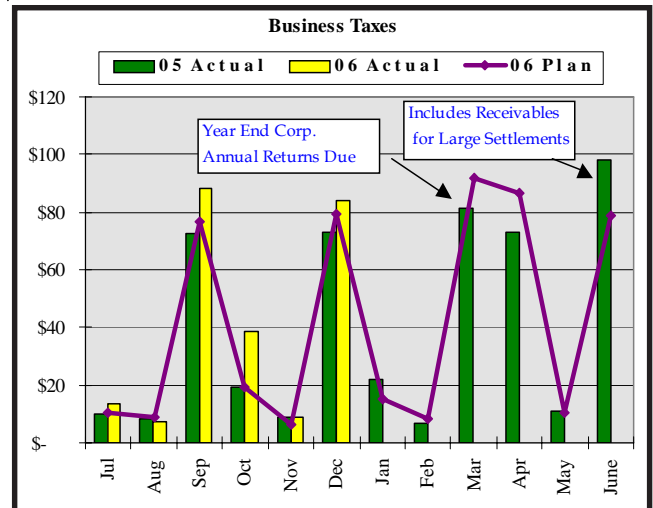
The **Utility Property Tax** fell short of plan this month by \$1.2 million, due to the timing of collections from Utility customers. By law, assessments are mailed by December 15th, and companies have 30 days to remit their payments.

The 3rd **Education Grant Payment** in the amount of \$141.8 million was processed in December. To date \$330.9million of adequacy grants have been paid. The final grant payment is scheduled for April 1.

Highway Fund (see page 4): According to the Department of Transportation (DOT), after a review of crossbilling activity between the Turnpike System and the Highway Fund, it was noted that Turnpike was billed 100% instead of 20% for their share of highway projects. A net adjustment of \$2 million, which reduced Highway Fund unrestricted revenue, was processed this month. Further research is being conducted by DOT to determine if any additional adjustments are needed. It was also noted by DOT that the Administrative Overhead collections that were newly budgeted as unrestricted revenue for the 06-07 biennium have been deposited as restricted revenue. A correction is anticipated for next month.

YTD Revenue Summary

| | <u>FY 06</u> | <u>FY 05</u> | <u>Inc/(Dec)</u> |
|------------------------|-----------------|-----------------|------------------|
| Gen & Educ | \$ 875.5 | \$ 833.7 | \$ 41.8 |
| Highway | \$ 112.2 | \$ 117.0 | \$ (4.8) |
| Fish & Game | \$ 4.2 | \$ 4.5 | \$ (0.3) |



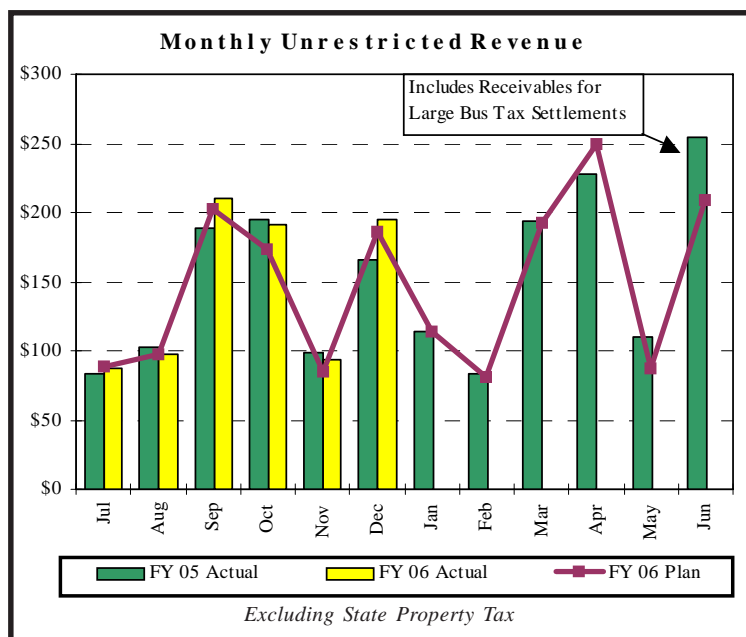
General & Education Funds Comparison to FY 05

| General & Education Funds | Monthly | | | Year-to-Date | | | |
|--|-----------------|-----------------|-----------|-----------------|-----------------|-----------|----------------|
| | FY06 Actuals | FY05 Actuals | Inc/(Dec) | FY06 Actuals | FY05 Actuals | Inc/(Dec) | % Inc/(Dec) |
| Business Profits Tax | \$ 37.8 | \$ 38.4 | \$ (0.6) | \$ 104.3 | \$ 74.2 | \$ 30.1 | 40.6% |
| Business Enterprise Tax | 46.4 | 34.5 | 11.9 | 136.7 | 117.5 | 19.2 | 16.3% |
| Subtotal | 84.2 | 72.9 | 11.3 | 241.0 | 191.7 | 49.3 | 25.7% |
| Meals & Rooms Tax | 13.9 | 13.0 | 0.9 | 111.7 | 107.2 | 4.5 | 4.2% |
| Tobacco Tax | 12.3 | 8.6 | 3.7 | 77.3 | 51.9 | 25.4 | 48.9% |
| Liquor Sales and Distribution | 13.6 | 13.7 | (0.1) | 65.5 | 62.5 | 3.0 | 4.8% |
| Interest & Dividends Tax | 3.3 | 3.1 | 0.2 | 18.2 | 15.8 | 2.4 | 15.2% |
| Insurance Tax | 19.5 | 18.8 | 0.7 | 42.3 | 41.0 | 1.3 | 3.2% |
| Communications Tax | 5.8 | 5.6 | 0.2 | 35.7 | 34.3 | 1.4 | 4.1% |
| Real Estate Transfer Tax | 14.0 | 12.5 | 1.5 | 93.8 | 89.4 | 4.4 | 4.9% |
| Estate & Legacy Tax | 0.4 | 0.6 | (0.2) | 3.9 | 7.5 | (3.6) | -48.0% |
| Court Fines & Fees | 2.5 | 2.0 | 0.5 | 14.3 | 14.0 | 0.3 | 2.1% |
| Securities Revenue | 7.5 | 0.4 | 7.1 | 9.7 | 2.4 | 7.3 | 304.2% |
| Utility Tax | 0.5 | 0.5 | - | 3.2 | 3.1 | 0.1 | 3.2% |
| Board & Care Revenue | 1.0 | 0.9 | 0.1 | 6.3 | 5.2 | 1.1 | 21.2% |
| Beer Tax | 1.0 | 0.9 | 0.1 | 6.9 | 6.7 | 0.2 | 3.0% |
| Racing Revenue | 0.2 | 0.3 | (0.1) | 1.4 | 1.8 | (0.4) | -22.2% |
| Other | 4.3 | 2.0 | 2.3 | 22.6 | 20.4 | 2.2 | 10.8% |
| Transfers from Lottery/Pari-Mutuel | 4.5 | 5.0 | (0.5) | 29.4 | 31.0 | (1.6) | -5.2% |
| Tobacco Settlement | - | - | - | 0.5 | 0.5 | - | 0.0% |
| Utility Property Tax | 4.5 | 4.0 | 0.5 | 9.1 | 10.1 | (1.0) | -9.9% |
| State Property Tax | - | - | - | - | - | - | - |
| Subtotal | 193.0 | 164.8 | 28.2 | 792.8 | 696.5 | 96.3 | 13.8% |
| Net Medicaid Enhancement Rev | 1.0 | 0.1 | 0.9 | 73.1 | 115.6 | (42.5) | -36.8% |
| Recoveries | 0.8 | 0.4 | 0.4 | 9.6 | 6.8 | 2.8 | 41.2% |
| Subtotal | 194.8 | 165.3 | 29.5 | 875.5 | 818.9 | 56.6 | 6.9% |
| Other Medicaid Enhancement Rev to Fund Net Appropriations | - | - | - | - | 14.8 | (14.8) | -100.0% |
| Total | \$ 194.8 | \$ 165.3 | \$ 29.5 | \$ 875.5 | \$ 833.7 | \$ 41.8 | 5.0% |

Year-to-Date Analysis

| General & Education Funds | General | | Education | | Total | | |
|---|----------|----------|-----------|----------|----------|----------|-----------------|
| | Actual | Plan | Actual | Plan | Actual | Plan | Actual vs. Plan |
| Business Profits Tax | \$ 79.6 | \$ 79.0 | \$ 24.7 | \$ 24.7 | \$ 104.3 | \$ 103.7 | \$ 0.6 |
| Business Enterprise Tax | 66.3 | 26.9 | 70.4 | 70.4 | 136.7 | 97.3 | 39.4 |
| Subtotal (1) | 145.9 | 105.9 | 95.1 | 95.1 | 241.0 | 201.0 | 40.0 |
| Meals & Rooms Tax | 107.4 | 110.2 | 4.3 | 4.1 | 111.7 | 114.3 | (2.6) |
| Tobacco Tax | 36.6 | 39.2 | 40.7 | 37.4 | 77.3 | 76.6 | 0.7 |
| Liquor Sales and Distribution | 65.5 | 66.6 | - | - | 65.5 | 66.6 | (1.1) |
| Interest & Dividends Tax | 18.2 | 18.0 | - | - | 18.2 | 18.0 | 0.2 |
| Insurance Tax | 42.3 | 41.7 | - | - | 42.3 | 41.7 | 0.6 |
| Communications Tax | 35.7 | 35.5 | - | - | 35.7 | 35.5 | 0.2 |
| Real Estate Transfer Tax | 62.8 | 62.3 | 31.0 | 31.3 | 93.8 | 93.6 | 0.2 |
| Estate & Legacy Tax | 3.9 | 3.6 | - | - | 3.9 | 3.6 | 0.3 |
| Court Fines & Fees | 14.3 | 15.0 | - | - | 14.3 | 15.0 | (0.7) |
| Securities Revenue | 9.7 | 2.5 | - | - | 9.7 | 2.5 | 7.2 |
| Utility Tax | 3.2 | 3.3 | - | - | 3.2 | 3.3 | (0.1) |
| Board & Care Revenue | 6.3 | 5.9 | - | - | 6.3 | 5.9 | 0.4 |
| Beer Tax | 6.9 | 6.8 | - | - | 6.9 | 6.8 | 0.1 |
| Racing Revenue | 1.4 | 1.8 | - | - | 1.4 | 1.8 | (0.4) |
| Other | 22.6 | 22.0 | - | - | 22.6 | 22.0 | 0.6 |
| Transfers from Lottery/Pari-Mutuel | - | - | 29.4 | 31.0 | 29.4 | 31.0 | (1.6) |
| Tobacco Settlement | - | - | 0.5 | - | 0.5 | - | 0.5 |
| Utility Property Tax | - | - | 9.1 | 11.4 | 9.1 | 11.4 | (2.3) |
| State Property Tax | - | - | - | - | - | - | - |
| Subtotal | 582.7 | 540.3 | 210.1 | 210.3 | 792.8 | 750.6 | 42.2 |
| Net Medicaid Enhancement Rev | 73.1 | 72.4 | - | - | 73.1 | 72.4 | 0.7 |
| Recoveries | 9.6 | 8.7 | - | - | 9.6 | 8.7 | 0.9 |
| Subtotal | 665.4 | 621.4 | 210.1 | 210.3 | 875.5 | 831.7 | 43.8 |
| Other Medicaid Enhancement Rev to Fund Net Appropriations | - | - | - | - | - | - | - |
| Total | \$ 665.4 | \$ 621.4 | \$ 210.1 | \$ 210.3 | \$ 875.5 | \$ 831.7 | \$ 43.8 |

(1) Excludes Business Tax Cash Settlements of approximately \$33.5 million. These were recorded as a receivable and recognized in FY 2005.

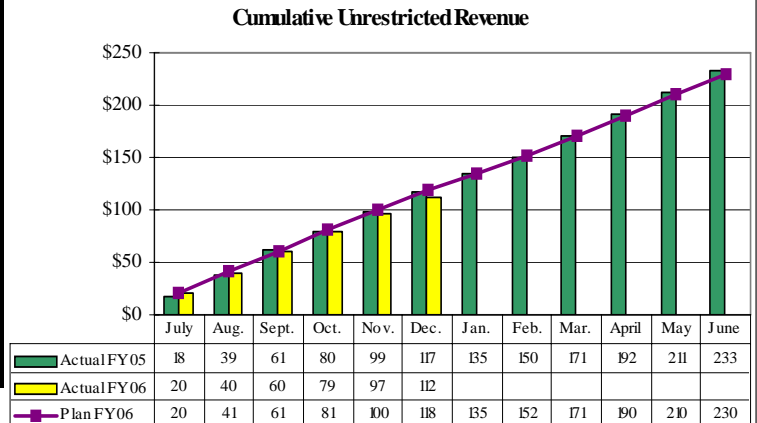


| Education Trust Fund Statement of Activity - FY 2006 July 1, 2005 to December 31, 2005 | |
|--|-------------|
| Description | In Millions |
| Beginning Surplus (unaudited) | \$ - |
| Unrestricted Revenue - See above | 210.1 |
| Transfers from General Fund Appropriations (net) | - |
| Expenditures | |
| Education Grants & Adm Costs | (336.3) |
| Ending Surplus (Deficit) | \$ (126.2) |

Year-to-Date Analysis

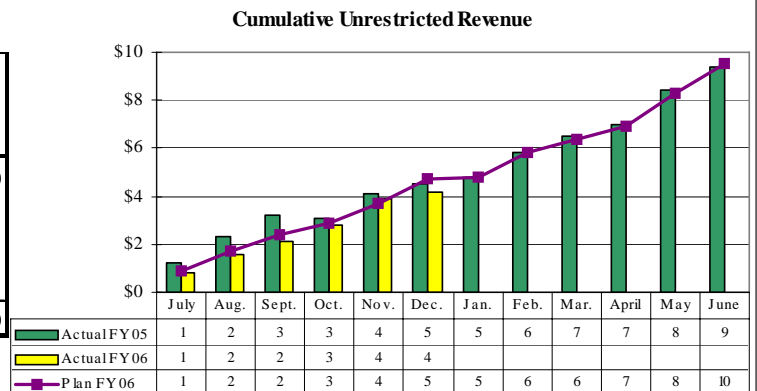
Highway Fund

| Revenue Category | FY 06 Actuals | FY 06 Plan | Actual vs. Plan |
|---------------------------|------------------|-----------------|--------------------|
| Gasoline Road Toll | \$ 67.0 | \$ 69.2 | \$ (2.2) |
| Miscellaneous | 2.3 | 5.6 | (3.3) |
| Motor Vehicle Fees | | | |
| MV Registrations | 34.2 | 33.2 | 1.0 |
| MV Operators | 2.3 | 3.5 | (1.2) |
| Inspection Station Fees | 1.9 | 2.0 | (0.1) |
| MV Miscellaneous Fees | 2.2 | 1.9 | 0.3 |
| Certificate of Title | 2.3 | 2.8 | (0.5) |
| Total Fees | 42.9 | 43.4 | (0.5) |
| Total | \$ 112.2 | \$ 118.2 | \$ (6.0) |



Fish & Game Fund

| Revenue Category | FY 06 Actuals | FY 06 Plan | Actual vs. Plan |
|-----------------------------------|------------------|---------------|--------------------|
| Fish and Game Licenses | \$ 3.4 | \$ 4.1 | \$ (0.7) |
| Fines and Penalties | 0.1 | 0.1 | - |
| Miscellaneous Sales | 0.2 | 0.2 | - |
| Federal Recoveries Indirect Costs | 0.5 | 0.3 | 0.2 |
| Total | \$ 4.2 | \$ 4.7 | \$ (0.5) |



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